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Bridging Development Research, Policy & Practice

# Enhancing the demographic dividend for socioeconomic transformation in Africa – the role of parliamentarians

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# Big Question

Will the Post-2015 development agenda mark a turning point in optimizing the value of the most important resource (people) for the realization of long term socioeconomic development goals for African countries?

68% of the African Population is under age 30 and by 2030 this number will slightly decline to 58% - what does this mean for SDGs?

Population (Millions)

AGE	2016	2050	2070
0-4	189	280	311
5-14	308	518	597
15-19	125	235	284
20-29	207	417	532
30+	387	1,028	1,598
Total	1,216	2,478	3,322

Source: UN Population Division, Medium Variant

# Why bother about Children and Youth?

1. The numbers are with young people
  - Currently close 31% of Africa's population is aged 10-24, and 68% under age 30
2. Youth can be critical agents for positive socioeconomic change if appropriate investments are made to unleash their power to innovate and become productive citizens.
3. Poor health and socioeconomic investments in young people determine life-long economic and general development contribution and outcomes
4. Youth can be a development liability (if uneducated, unskilled, unhealthy, and without job opportunities) and can sometimes be agents of social unrest if they are without hope and disillusioned by the world economic and political order

Birth rates have fallen remarkably in the last fifty years in all regions, except in Africa

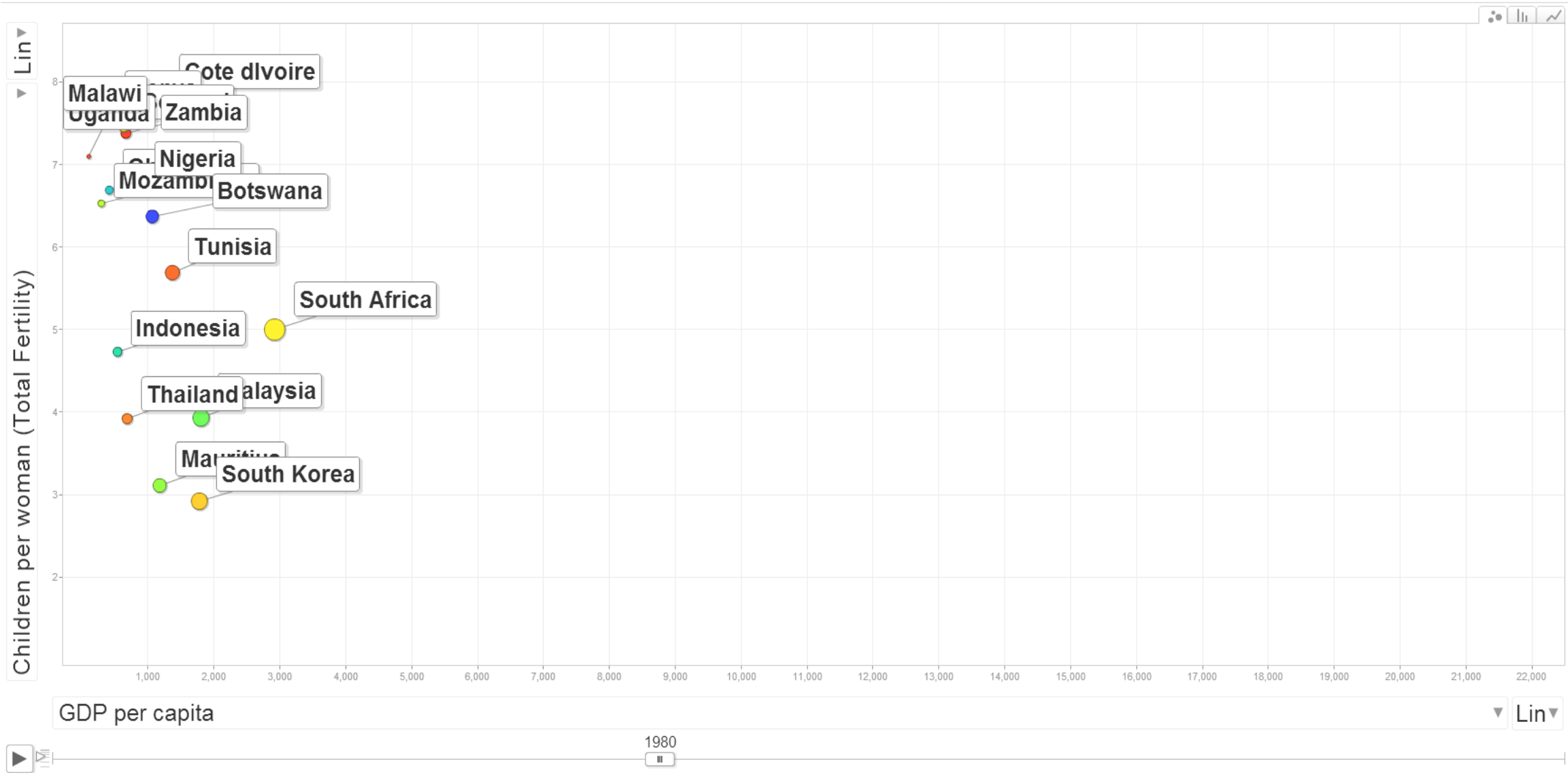
Region	1970	2015
World	4.4	2.5
Developed Countries	2.1	1.7
Less Developed Countries	5.2	2.4
South Asia	5.6	2.5
<b>Africa</b>	<b>6.7</b>	<b>4.7</b>

In 1960s, African countries were comparable to East Asian countries, with high fertility and low per capita GDP



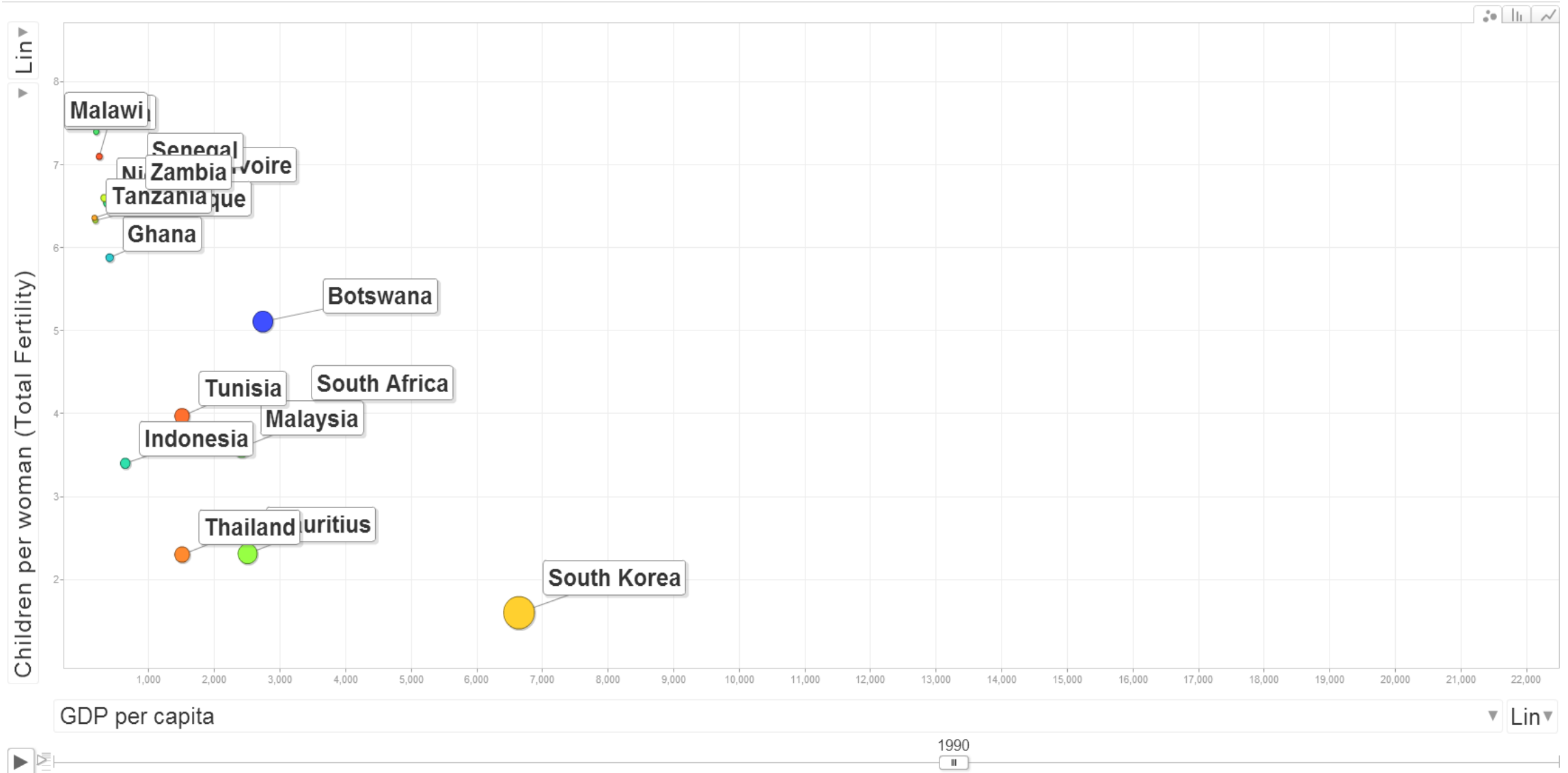
Source: UN Population Division & World Bank

By 1980, rapid fertility decline was underway in most East Asian countries while little change was noted in Africa



Source: UN Population Division & World Bank

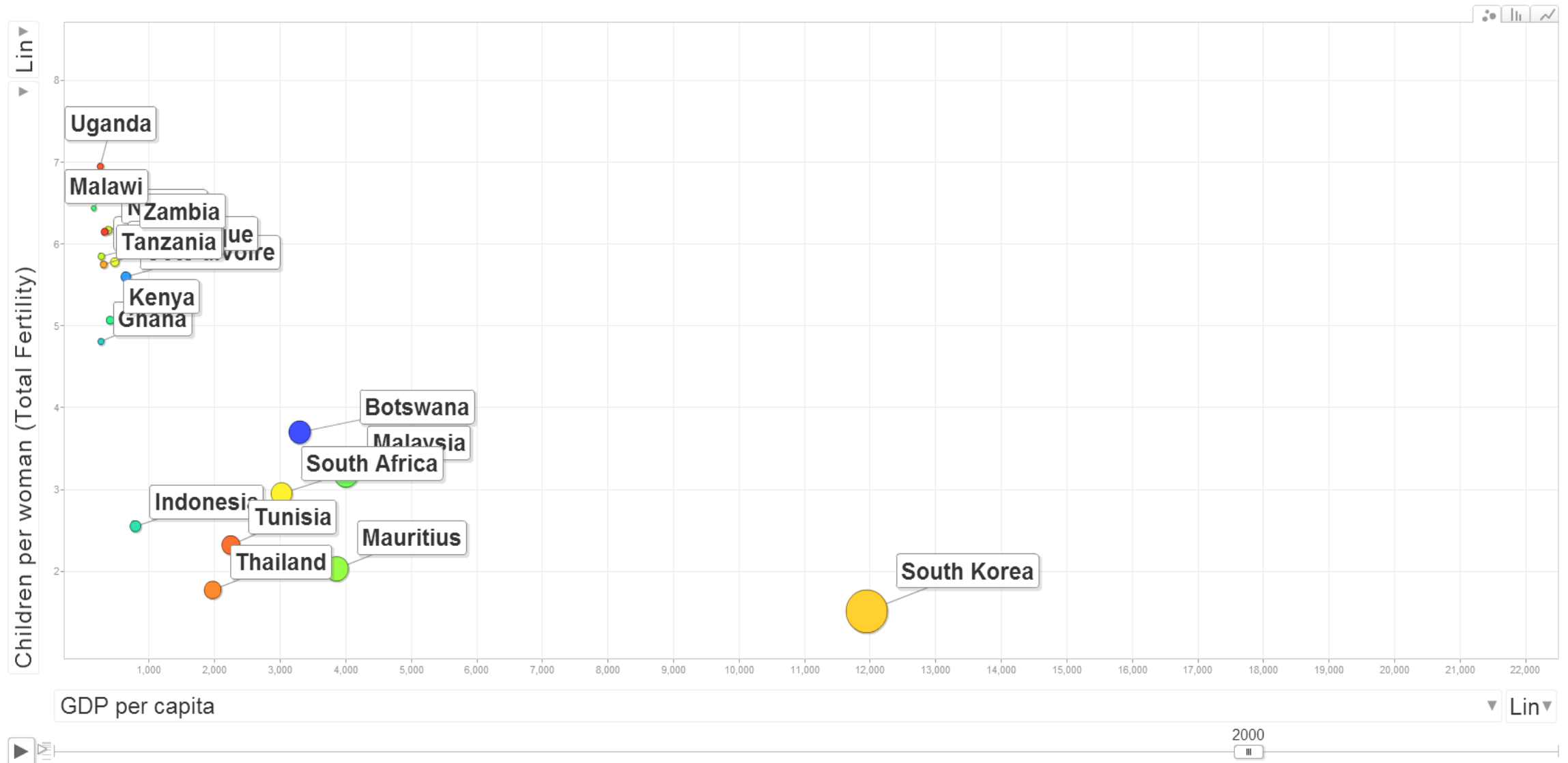
# By 1990, per capita GDP increased substantially in countries with fewer than 3 children per woman



Source: UN Population Division & World Bank

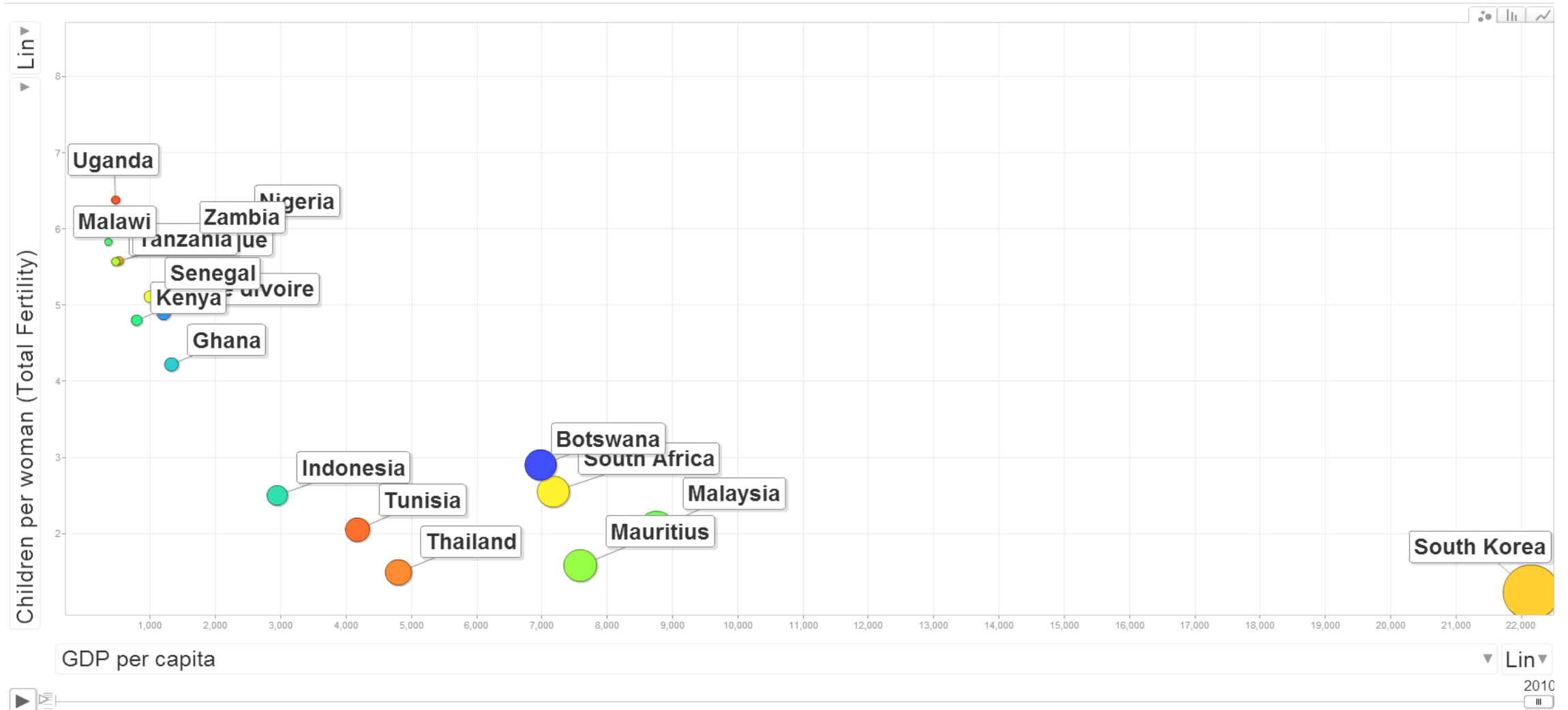


# By 2000, the differences were becoming more pronounced



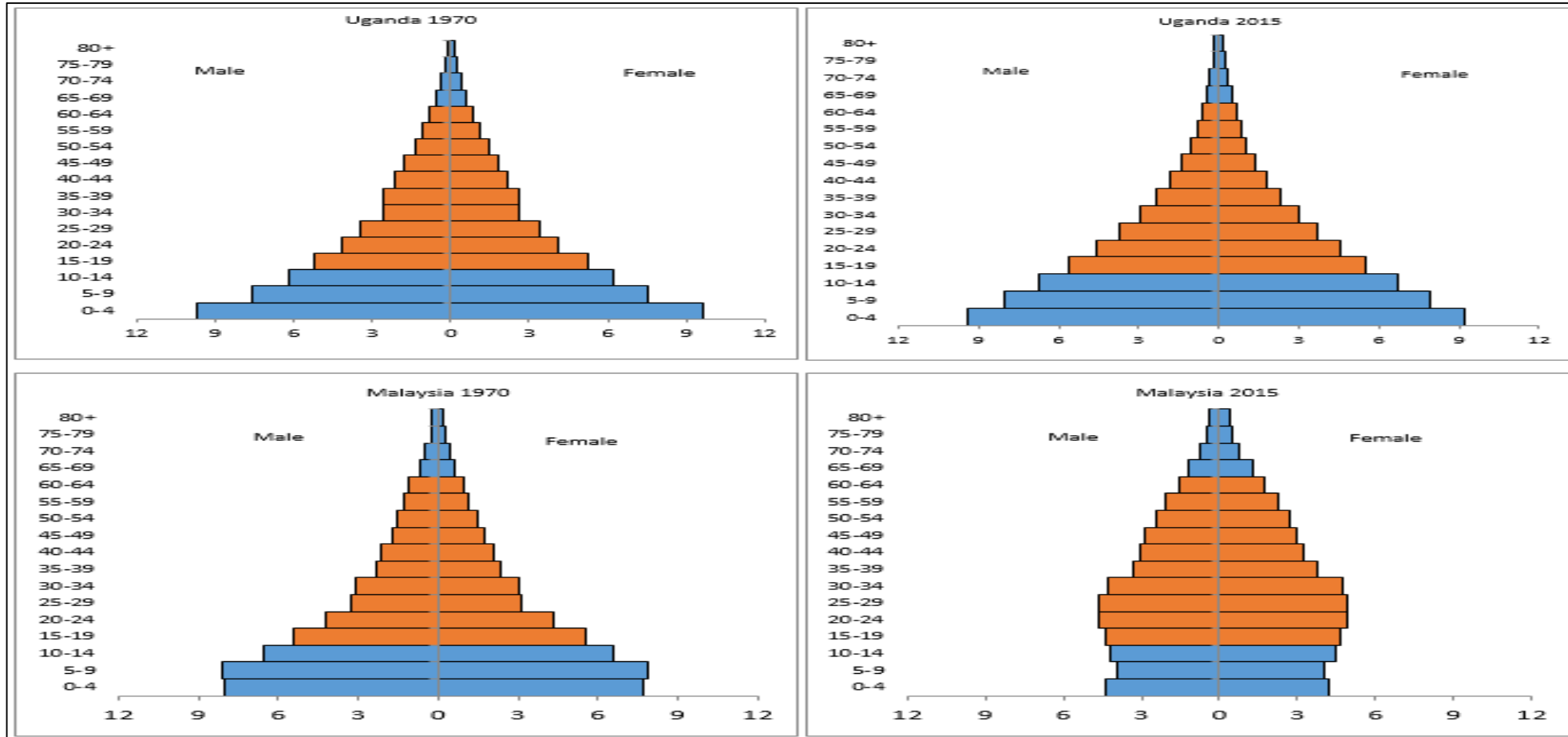
Source: UN Population Division & World Bank

By 2010, fertility had not declined much in the majority of Africa countries, while income levels in lower fertility countries had soared

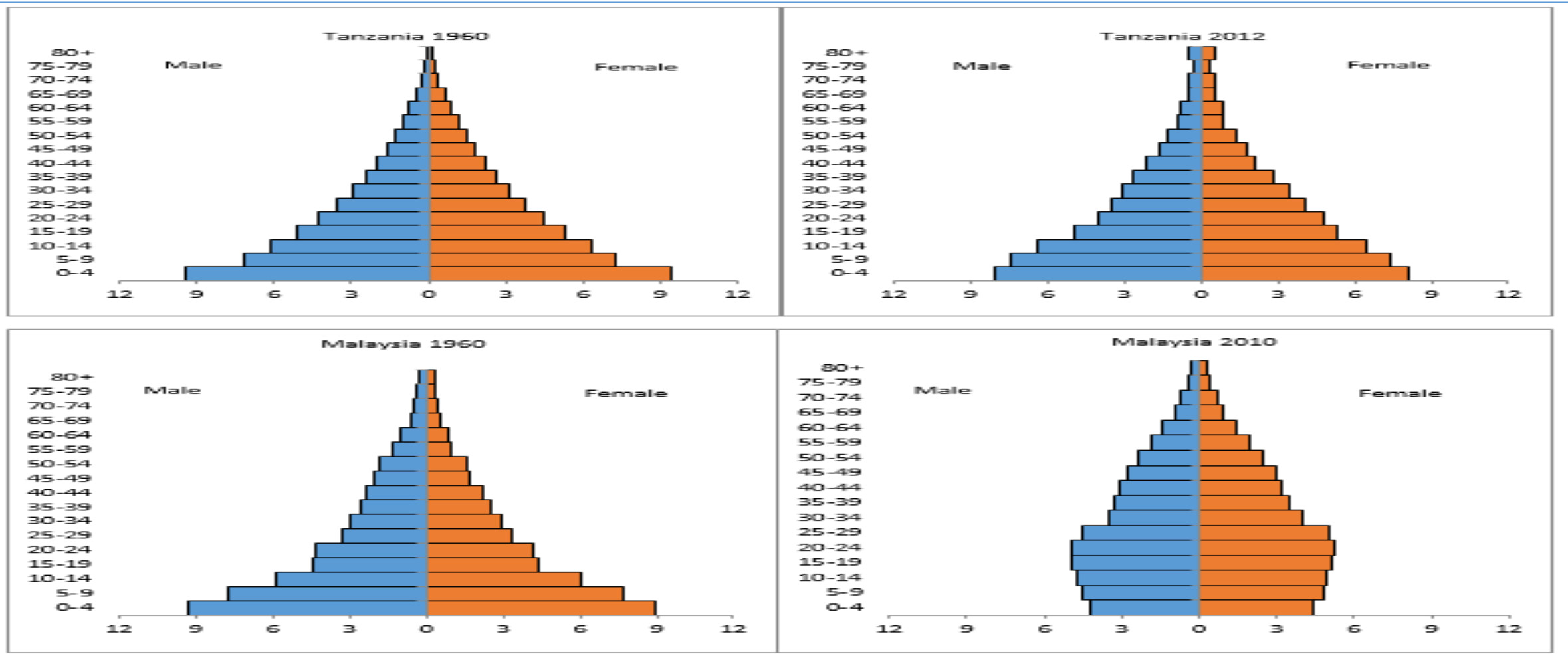


Source: UN Population Division & World Bank

Decline in fertility led to a structure with more working age adults relative to children in Malaysia, while high child dependency remained in Uganda



# Tanzania and Malaysia's age structures differ remarkably due to differences in birth rates



# The Demographic Dividend

- The Demographic Dividend is the **economic benefit** arising from a **significant increase** in the ratio of **working-aged adults** relative to young dependents.
  - The **first step** is to accelerate fertility decline, which opens the window of opportunity for growth by creating an age structure dominated by working age youth and adults
  - To **EARN** a sizable demographic dividend countries should make simultaneous investment in Education; Empowerment of women and youth; Economic reforms to create ample jobs; and efficient public institutions

# Asian Tigers: Success Story

- Between  $\frac{1}{4}$  to  $\frac{1}{3}$  of economic growth since 1970 in East and South East Asia can be attributed to the “Demographic Dividend” (Bloom and Williamson, 1998; Mason, 2001)
- The economic success was made possible by sustained investments in education, health, family planning, and economic reforms



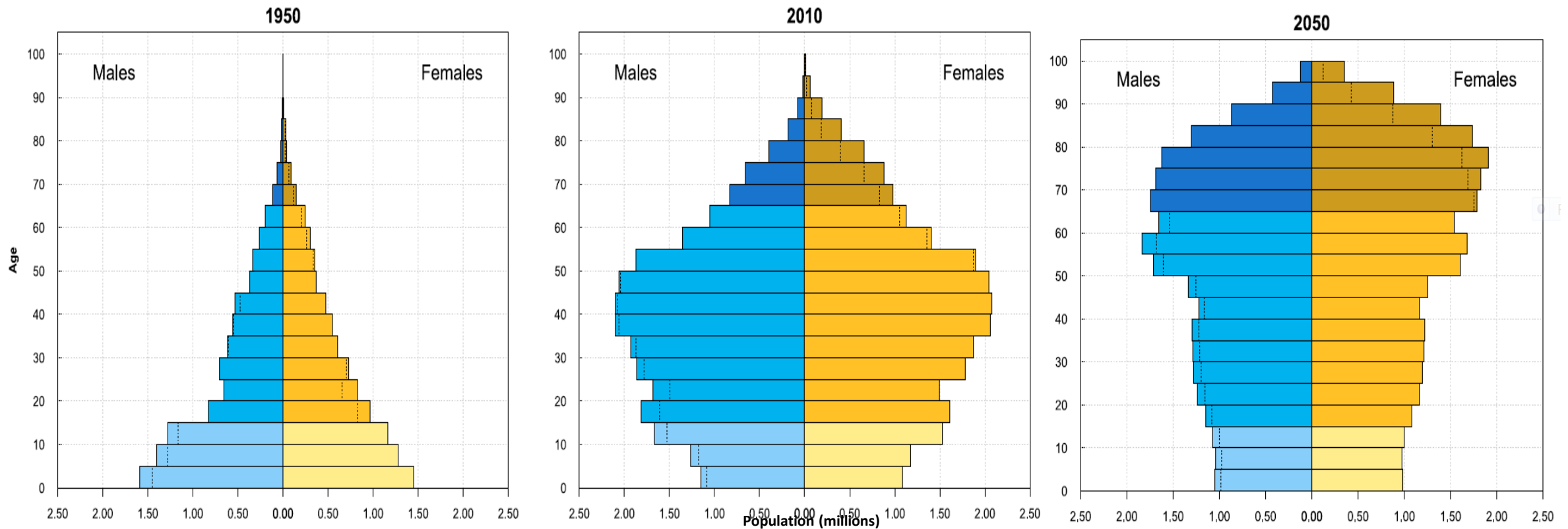
To Harness the DD, African countries should simultaneously accelerate fertility decline, human capital development, job creation, & accountability

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The demographic dividend is time-bound and happens once in a population's history – the bigger labour force provided an impetus for accelerated economic growth in South Korea, but this will turn into high old age dependency in due course



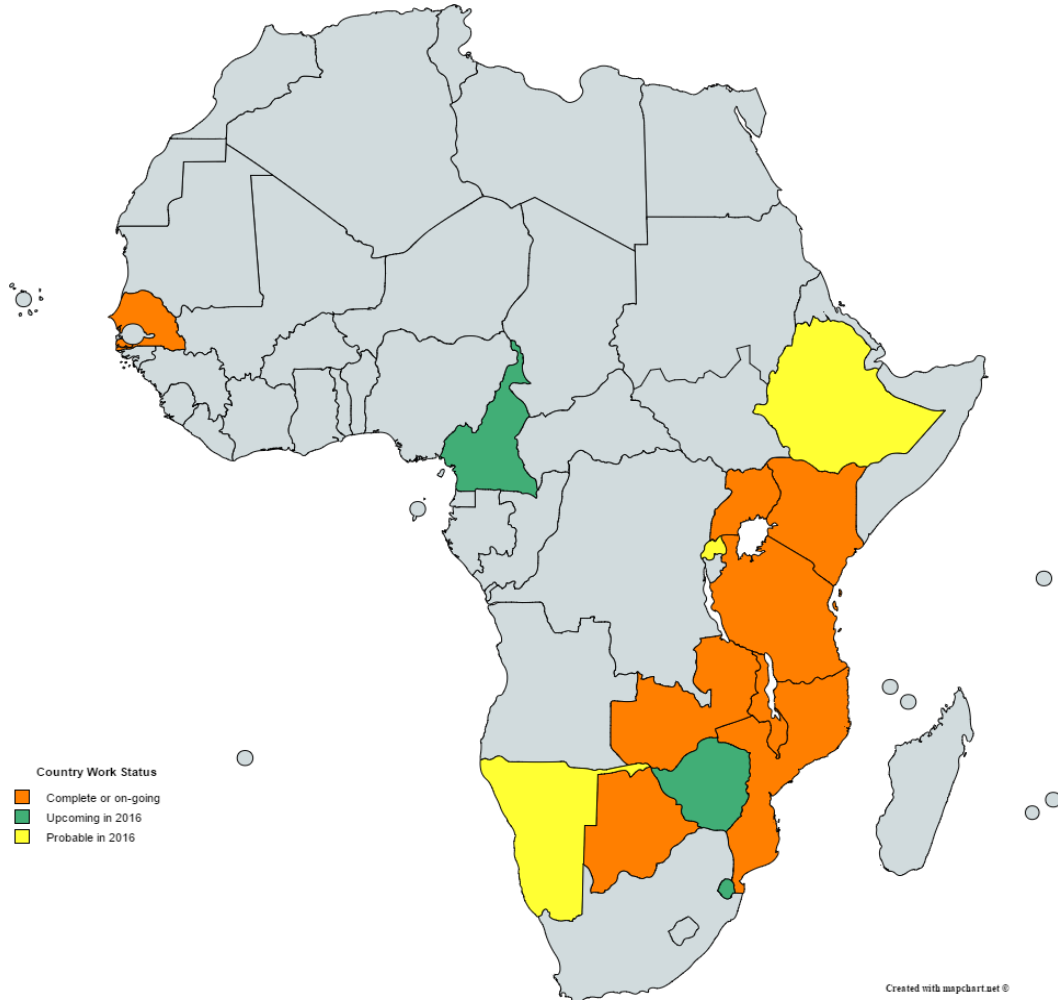
Source: *World Population Prospects: The 2012 Revision, Volume II: Demographic Profiles*



# Regional Commitments to Harness the DD in Africa

- AU Agenda 2063: One of the objectives of the Agenda is to **unleash the full potential of the youth and women** to boost socioeconomic development
- The 2013 Sixth Joint AUC and UNECA Conference of African Ministers of Finance, Planning and Economic Development in Abidjan
- 2013 Addis Ababa Declaration on ICPD Beyond 2014: “Harnessing the Demographic Dividend - The future we want for Africa”.
- **2017 African Union Summit Theme – “Demographic Dividend and Youth Development”**

# AFIDEP-UNFPA DD Footprint in Africa



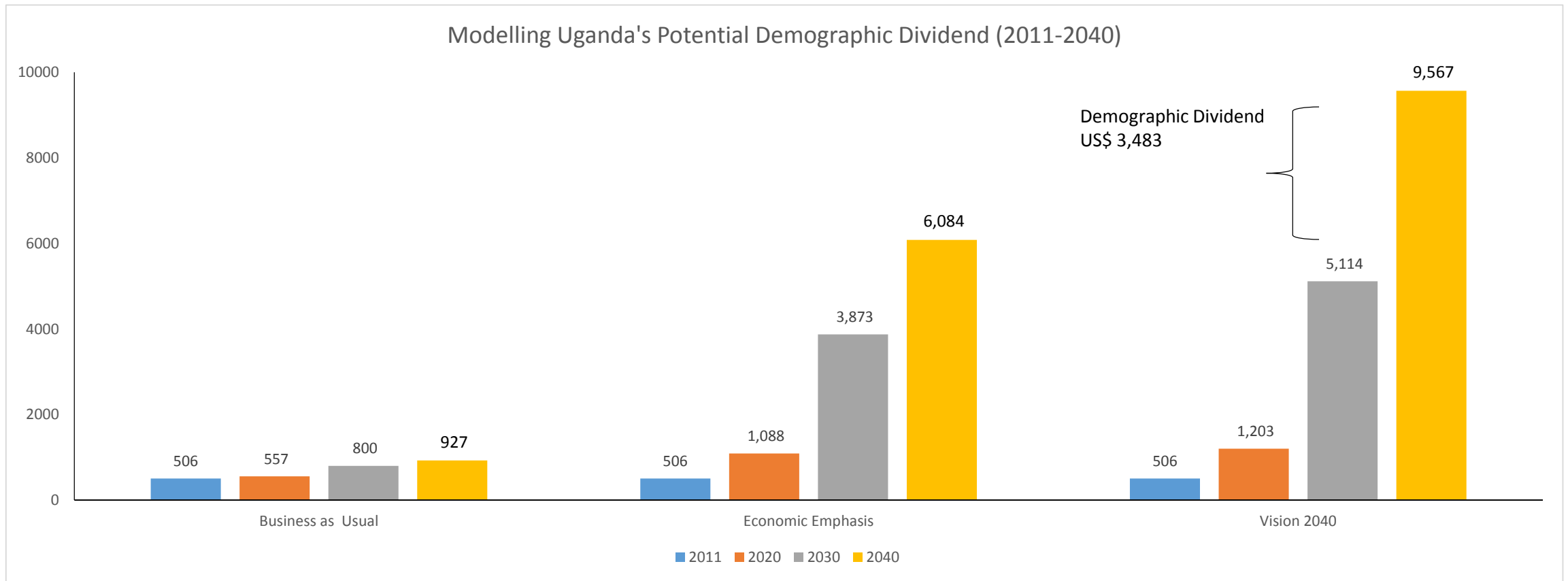
- Completed or ongoing activities: Kenya, Uganda, Tanzania, Zambia, Mozambique, Malawi, Botswana, Senegal
- Upcoming in 2016: Cameroun, Swaziland, Namibia
- To start in 2016: Rwanda, Ethiopia, DRC, Zimbabwe

What level of demographic dividend can African countries and other high fertility countries harness under different socioeconomic policy scenarios?

# Modeling the potential demographic dividend African countries can harness under different policy scenarios

Scenario	Key Characteristics
<b>Business As Usual</b>	<ul style="list-style-type: none"><li>▪ Modest investments in family planning, education, and economic reforms</li><li>▪ Slow progress in economic development and demographic transition</li></ul>
<b>Economic Emphasis</b>	<ul style="list-style-type: none"><li>▪ Maximize economic competitiveness to the benchmark countries</li><li>▪ Modest investments in family planning and education</li></ul>
<b>Combined Model</b>	<ul style="list-style-type: none"><li>▪ Maximize economic competitiveness to the level envisaged in benchmark countries</li><li>▪ Simultaneous prioritization of education and family planning</li></ul>

# Uganda can earn a DD of \$3,843 by 2040 if it simultaneously invests in family planning, Education, Empowerment of women and health, Job oriented Economic growth, and Governance



# African countries can harness massive demographic dividends if they implement the right policies in an integrated manner

Projected Per Capita GDP by Different DD Policy Scenarios (US\$)

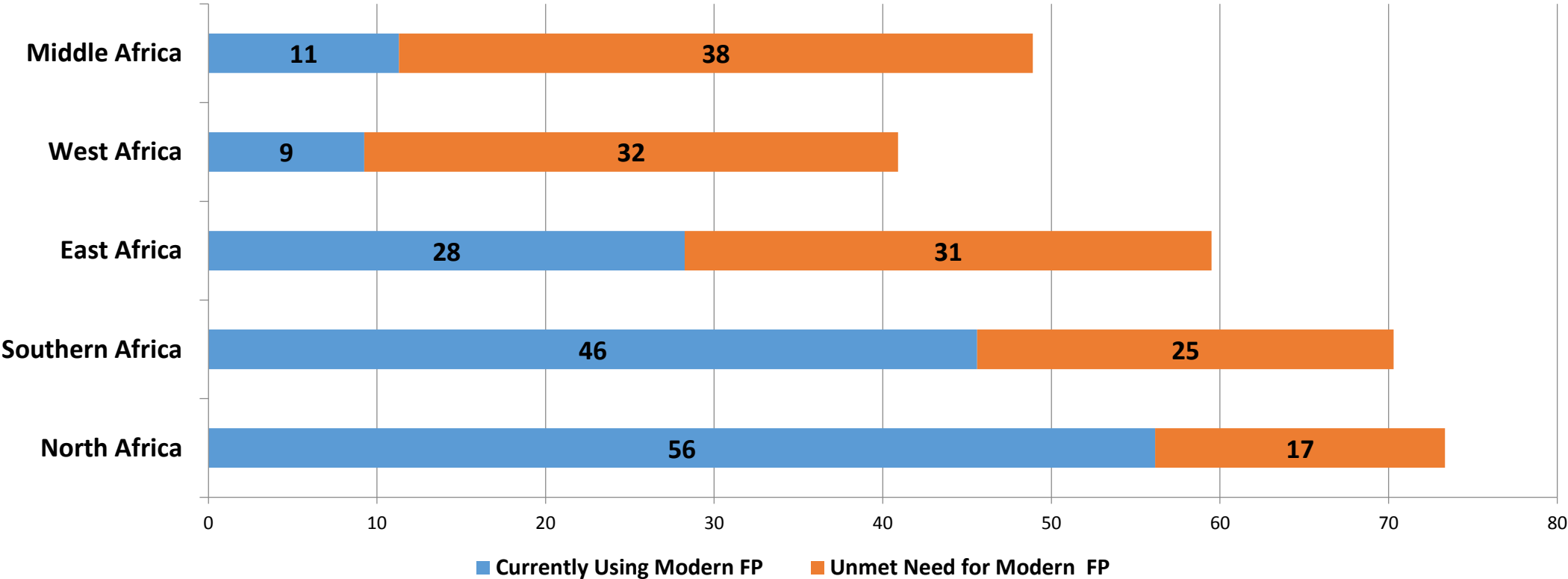
Countries	Current PC GDP	Business as Usual	Economic Emphasis	Combined Scenario	Potential DD Earned
Kenya	907	896	6,693	11,288	4,595
Tanzania	514	2,513	5,871	9,018	3,147
Uganda	506	927	6,084	9,567	3,483
Zambia	1,839	5,426	19,547	26,940	7,393
Malawi	397	645	6,376	9,351	2,975
Mozambique	557	1,837	4,890	8,443	3,553
Senegal	1,065	847	7,428	12,547	5,119

Source: Modeling results using DemDiv Software

# Challenges and Opportunities for harnessing the demographic dividend

# Prioritize family planning and address all barriers of access and use of contraception to eliminate unplanned pregnancies and reduce fertility

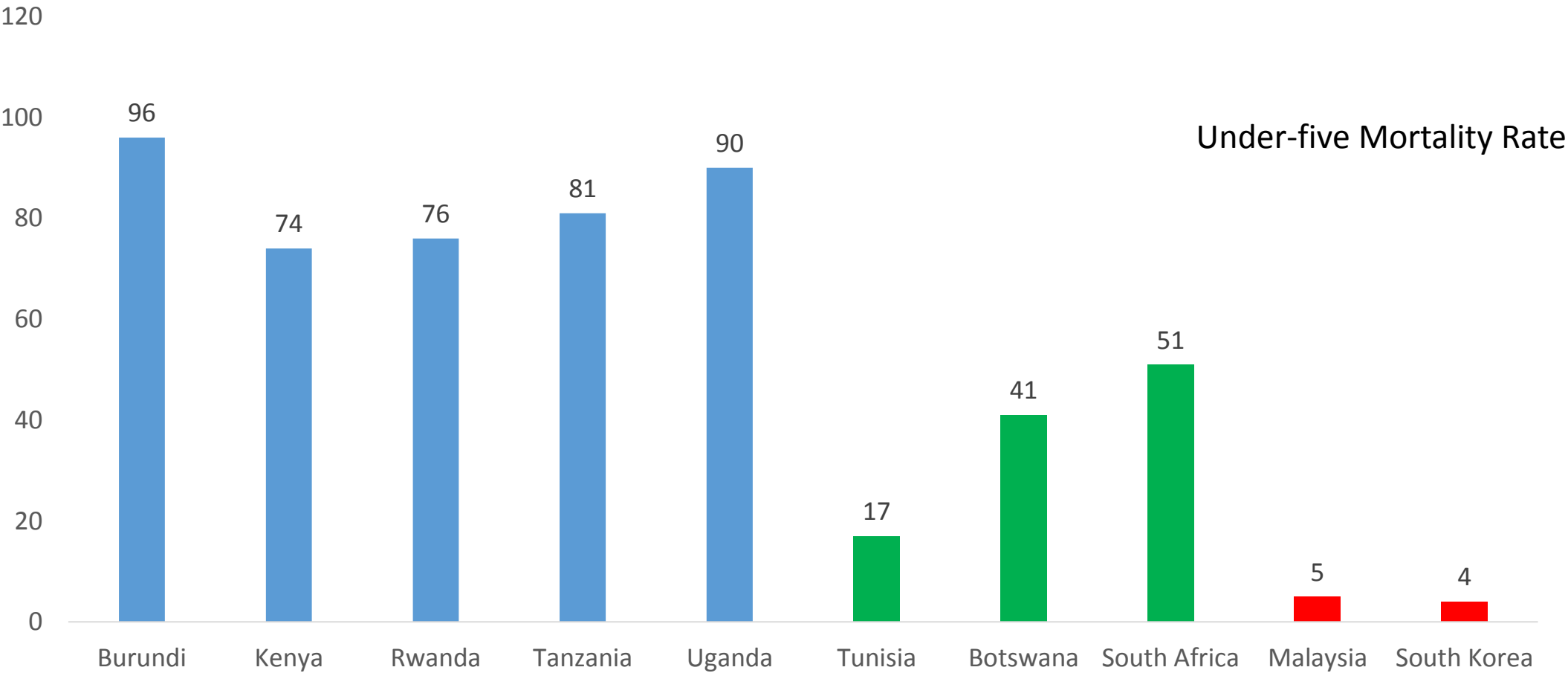
% of Married women using modern FP and those with unmet need for FP



Source: DHS Comparative Reports, 2014



# Step up efforts in reducing child mortality to facilitate fertility decline



Source: Latest DHS, UN Population Prospects, 2012

Reform education systems to focus on innovation, skills development, science & technology, and entrepreneurship – **transformative education**



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African countries should reform economies to create more quality jobs and enhance innovation and productivity of the informal sector

Country	Unemployment Rate	% in Informal Sector
Mozambique	22.5%	85%
Tanzania	11.7%	87.7
Uganda	6.8%	80%
Zambia	7.9%	70%

Source: National demographic dividend study reports

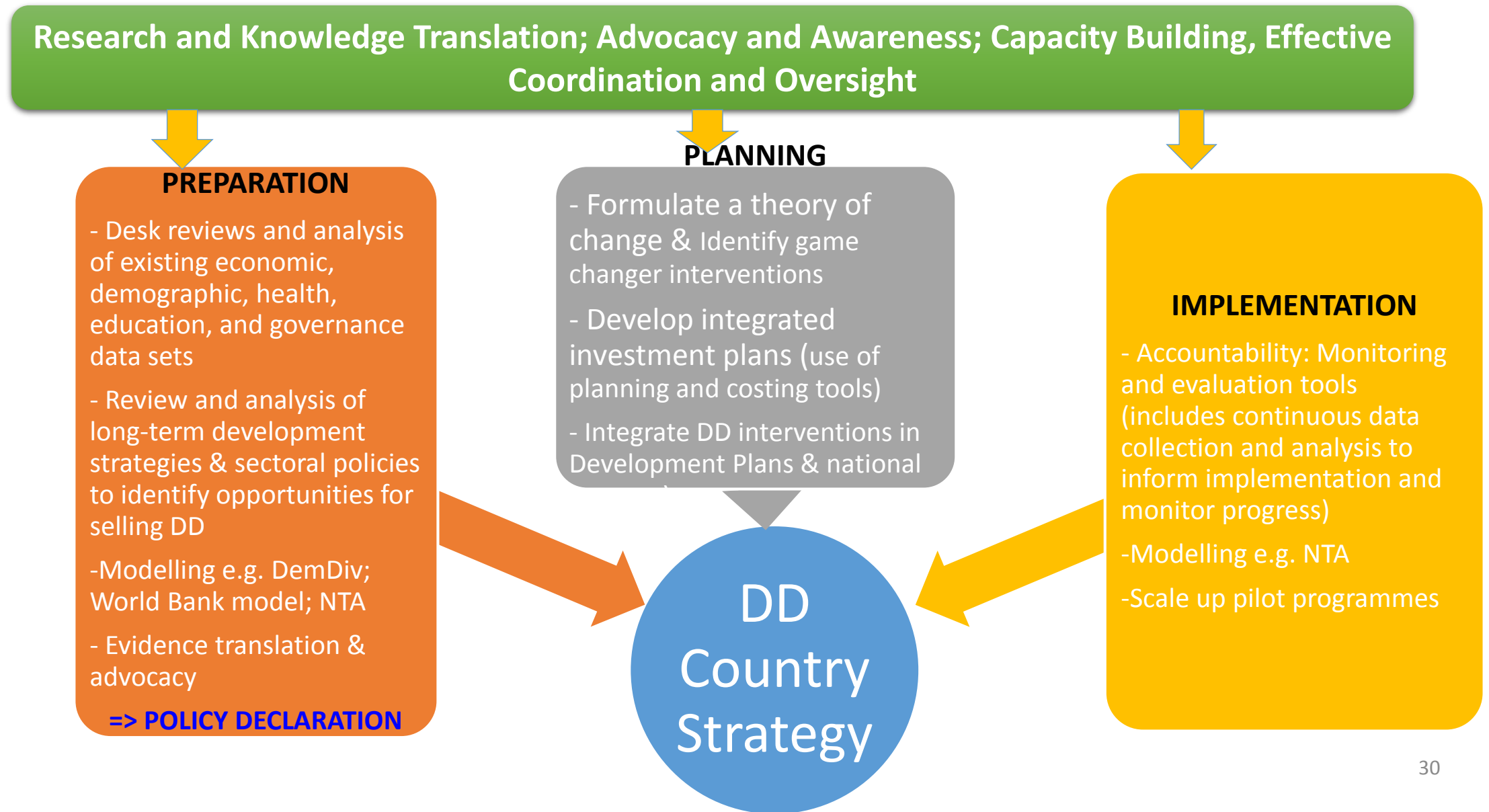
# Countries should diversity economies and invest in sectors with high job multiplier effects

- Modernize agriculture and enhance value-addition industries.
- Capitalize on growth of ITC sector to develop service sector
- Enhance economic infrastructure including energy, transportation, and communication to reduce the costs of doing business and attract domestic and foreign investment.
- Enhance productivity of the informal sector and support graduation from small to medium sized enterprises.

# Governance – an Integrated Package

- Favorable economic environment to attract local and foreign investment
  - Regulatory structure, taxation, reliable energy and IT
  - Placing population issues at the center of the development processes
    - Strong coordination systems and bodies
- Accountability
  - Anti-corruption, worker protection policies
  - Efficiency in service delivery

# Operationalizing DD Beyond Theory & Numbers to Action



# President Museveni launching Uganda's Demographic Dividend report, July 2014





# Presidents Mutharika of Malawi & Lungu of Zambia leading DD initiative meeting in NYC, Sept 2015





# DD and Sustainable Development Goals

**1** NO  
POVERTY



**2** ZERO  
HUNGER



**3** GOOD HEALTH  
AND WELL-BEING



**4** QUALITY  
EDUCATION



**5** GENDER  
EQUALITY



**6** CLEAN WATER  
AND SANITATION



**7** AFFORDABLE AND  
CLEAN ENERGY



**8** DECENT WORK AND  
ECONOMIC GROWTH



**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



**10** REDUCED  
INEQUALITIES



**11** SUSTAINABLE CITIES  
AND COMMUNITIES



**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



**13** CLIMATE  
ACTION



**14** LIFE BELOW  
WATER



**15** LIFE  
ON LAND



**16** PEACE AND JUSTICE  
STRONG INSTITUTIONS



**17** PARTNERSHIPS  
FOR THE GOALS



**THE GLOBAL GOALS**  
For Sustainable Development

# MDGS to SDGs: From reduction of poverty, hunger & poor health to wealthy, healthy, thriving people

1. Distinguish hunger and poverty and seeking to end both as opposed to reducing
2. Focusing on reducing inequality & not just national level poverty
3. Focus on wealth creation and letting people thrive – decent work, inclusive growth, industries
4. Emphasis on quality of education and learning and stronger gender equality targets, more efforts on secondary and higher levels

5. Beyond symptoms of poverty & poor health to peace, stability, human rights and good governance.
6. **Strong emphasis on climate change and environmental issues**
7. Strong emphasis on getting goals integrated in government planning and resource allocation systems
8. Data Revolution: Strong emphasis on evidence informed planning, implementation and accountability

# Role of Parliament in Promoting DD Agenda

- Add a strong voice to DD programme and roadmap development processes
  - make sure the people's voices are loud and clear
- Prioritization of social development sectors - not only about economic infrastructure
  - Champion family planning, empowerment of women, and education transformation
- Oversight on programme implementation and accountability in use of public resources
- Champion evidence-informed decision-making
  - Support efforts to strengthen local capacity in evidence generation, knowledge translation and use, and advocacy



**The time to act is now!** Strategic youth development & job creation should be at the center of the SDG agenda



Students in Daoukro, Côte d'Ivoire. Young people are poised to transform the country's future. But to do so, they must be empowered, educated and employed. © UNFPA Cote d'Ivoire



**Thank You**  
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